

ARMY LOGISTICS WHITE PAPER  
Delivering Materiel Readiness to the Army



# ***Integrate the Supply Chain***

**- FOCUS AREAS -**

Connect Army Logisticians  
Modernize Theater Distribution  
Improve Force Reception  
Integrate the Supply Chain

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In the December 2003 “Army Logistics White Paper: Delivering Materiel Readiness to the Army,” the Army G-4 identified four key focus areas to address the logistics problems encountered during Operations Iraqi and Enduring Freedom, many of which were similar to those experienced during Operations Desert Shield and Storm. **Connect Army Logisticians, Modernize Theater Distribution, Improve Force Reception, and Integrate the Supply Chain** were identified as the areas needing a singular focus to develop solutions for the joint and expeditionary Army. The purpose of this paper is to provide an update on the Army logistics focus area *Integrate the Supply Chain*, the logistics function that provides the greatest potential for improving our effectiveness.

Today, we are operating on a 21st century battlefield with a 20th century, supply-based logistics system. Our supply processes and systems lack the flexibility and responsiveness to meet today’s requirements. The Army, as part of the joint and expeditionary force, requires support from a flexible, responsive, and lean distribution-based logistics system that can accurately deliver the right item to the right place on time.

The Army’s *Integrate the Supply Chain* initiative is focused on delivering the following core capabilities:

- **Providing total asset visibility of requirements and resources from end-to-end across the joint sustainment system**
- **Developing integrated processes and information systems architecture**
- **Standardizing business practices that allow unity of effort across the Department of Defense (DoD)**
- **Establishing a seamless linkage with a modern, integrated distribution system**

### ***Total Asset Visibility***

The key to effectively managing a modern supply chain is end-to-end visibility of all assets (supplies, weapon systems, and equipment) in storage, in transit, and in use. This initiative improves capabilities in two areas: providing real-time, total asset visibility of supplies and equipment, and better accountability. The use of radio frequency identification (RFID) tags in their active form has dramatically improved in-transit visibility of supplies from

the strategic base and of unit equipment from the garrison to the Soldier on the ground. Today, we have the combatant commanders’ mandate and DoD policy that require RFID



tagging as the standard to provide in-transit visibility of items moving through the distribution system. The Army has fully funded RFID technology to meet the requirements of a distribution-based force. We have changes underway to integrate RFID data into our supply systems to queue automatically receipts for processing and delivery to customers and to encode tags for retrograde shipments. We will begin to field these changes within the coming year. We are also working with our DoD counterparts to take advantage of emerging, passive RFID and unique identification (UID) technologies to support serial number tracking of critical components.

Today’s property accountability system does not provide the Army with an accurate picture of property deployed in a theater



and cannot give us the flexibility to deal with the rapidly changing property environment. The new property book system, Property Book Unit System-Expanded (PBUSE), uses state-of-the-art technology that replicates property accountability data to the corporate database every six minutes. To deliver this essential flexibility, the Army has expedited the fielding of the PBUSE, to provide real-time, web-based visibility to all levels of the Army and the joint community. In the coming year, enhancements to PBUSE will eliminate the requirement for other stand-alone property management systems. We will gain consensus on these enhancements, develop systems changes, and field them to all PBUSE users across the Army.

### ***Integrated Processes and Information Systems Architecture***

In concert with DoD systems architecture development, we are leveraging commercial Enterprise Resource Planning (ERP) software and taking advantage of commercial processes to transform Army logistics. The Army's Single Army Logistics Enterprise (SALE) vision consists of a fully integrated knowledge environment that builds, sustains, and generates warfighting capability through an end-to-end logistics enterprise based upon collaborative planning, knowledge management, and best business practices. The SALE provides a synchronized ERP solution by delivering three integrated capabilities built upon the same software suite to provide flexible tools for planning and managing Army logistics operations. The Global Combat Service Support-Army (GCSS-A), the Logistics Modernization Program (LMP), and the Product Life Cycle Management Plus (PLM+) represent both the bridge to and the future of our logistics information systems architecture. The tactical level logistics information system, GCSS-A, and the wholesale information system, LMP, will be seamlessly integrated into a single solution through PLM+.

### ***Standardized Business Practices***

The Army operates in an increasingly joint and commercialized environment. Current with SALE development, the Army is working with the Defense Logistics Agency (DLA) and the U.S. Transportation Command (TRANSCOM) to develop Performance-Based Agreements (PBAs). PBAs provide a common basis of understanding

between the Army and its partners and define measurable outcomes. A PBA was signed with DLA in December 2003, and one is expected to be



signed with TRANSCOM, the distribution process owner, next year. Additionally, our acquisition and logistics communities are refining the Army's implementation structure of the DoD-mandated Performance-Based Logistics (PBL) support strategy. Weapon systems using PBL are deployed and working in combat environments. Program managers are now responsible for total life-cycle sustainment management to include replacement of battlefield losses. In the joint environment, the Army is providing supply support to the U.S. Marine Corps in Operation Iraqi Freedom through a cooperative and collaborative initiative to seamlessly interface between service logistics systems. We are convinced that this can serve as a prototype for future joint and coalition operations. These process improvements will be incorporated into the SALE, creating an integrated logistics environment with flexible, modern processes shared by all customers and suppliers in our supply chain.

## Seamless Linkage

Lessons from current operations point to the need for end-to-end integration. As an example, the tremendous increase in requirements in the operational area was not quickly transmitted to the strategic base. This resulted in delays and a large growth of back-ordered items until the strategic base could develop a



surge response. The inability of the Army to communicate requirements directly with DLA and commercial vendors created undue delays in response to Soldier requirements. Sub-

sequently, DoD challenged the Army and DLA to partner with commercial vendors to improve parts management through the sharing of requirements data and by allowing vendors to make supply recommendations and to take appropriate resupply actions. The recently concluded Vendor Initiated Parts Resupply (VIPR) pilot program successfully demonstrated the viability of this type of partnership. The DoD Customer Pay initiative will be piloted during the next 18 months at Corpus Christi Army Depot and at Red River Army Depot. In these pilot programs, the Army depots partner with industry to move the point of sale for parts used on Army depot repair lines to the point of use. We anticipate that these partnerships will improve supply availability, reduce depot floor wait time, and improve repair turnaround times. An initiative we are currently testing is the Army Direct Ordering (ADO) program that capitalizes on a popular commercial practice of ordering directly from the web. Soldiers participating in the pilot program can order replacement Organizational Clothing and Individual Equipment (OCIE) items, obtain approval of the order, and have

the items delivered directly to them. In the next year, the Army will finalize and implement processes to allow Soldiers to retain their OCIE throughout their careers and use a process similar to the ADO pilot to order needed replacements from a central storage activity.

## Summary

The aim of the *Integrate the Supply Chain* initiative is to design, in cooperation with other services and agencies and our corporate partners, an integrated supply process that responds to the needs of our Soldiers — regardless of where they are or what they need. This integrated supply environment must provide shared situational awareness across the joint force, and it must leverage the best practices in industry and in defense today and in the future. *Integrating the supply chain* will unleash the full potential of improved supply processes and systems necessary to effectively support the joint and expeditionary Army.

